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C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 000910

SIPDIS

EUR (DICARLO), EUR/SCE (HOH, FOOKS, STINCHCOMB), S/WCI  
(WILLIAMSON, LAVINE), NSC FOR BRAUN, EUR/ACE (TEFT, DUNN);  
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EU, BK

SUBJECT: BOSNIA - DRAFT SALARY LAW THREATENS TO UNDERMINE  
STATE LEVEL RULE OF LAW CAPABILITIES

REF: A. SARAJEVO 747

[1](#)B. SARAJEVO 815

Classified By: CDA Judith Cefkin. Reasons 1.4 (b), (d).

[1](#)1. (U) SUMMARY: During its May 14 session, the House of Representatives postponed voting on a problematic draft law which, while intended to harmonize civil servant salaries, would also eliminate Bosnia's independent judicial salary structure and cause salaries for state law enforcement officers to drop well below those paid by entity and cantonal agencies. These outcomes would deal significant blows to our efforts to advance the rule of law through strong state-level institutions. Over recent weeks the mission has lobbied key parliamentarians and ministers to amend the law to prevent the hollowing out of state level law enforcement agencies and ensure that the independence of the judiciary is protected. Although a number of political leaders have told us that they are aware of, and oppose, these problematic provisions, most parties, including the Social Democratic Party (SDP), Serb Democratic Party (SDS), and Party for Democratic Action (SDA) are focused on using the debate to score political points ahead of the October municipal elections by opposing salary increases for ministers and parliamentarians. We will continue lobbying for passage of legislation that strengthens state level institutions at the June 4 parliamentary debate. End Summary.

Background

[1](#)2. (U) Acting on an IMF recommendation, initially supported by the EU, that Bosnia create a transparent and harmonized salary structure for state level government employees, a Ministry of Finance working group developed a draft law cover the country's estimated 23,000 civil servants. The framework created by the legislation extended to state-level judicial officials nullifying an existing law on judicial salaries imposed by High Representative Ashdown in 2005 as part of an international community-led judicial reform program. Along with OHR, we noted that the legislation would unravel the 2005 judicial structure that was designed to attract, retain, and promote the mobility of judicial officials between courts and prosecutorial offices nation wide. It would enable the entities to offer more competitive wages to judges and prosecutors potentially causing, over time, an exodus of judges and prosecutors from state-level institutions to the entities, and would also lower the salaries of professional staff, such as legal assistants and stenographers at the State Court and State Prosecutor's Office. Similarly, although it provides for significant increases in civil

service salaries, the draft law would make the pay scales for state-level law enforcement officers much less competitive than those of entity and cantonal forces. This would make it more difficult for the State Investigative Protective Agency (SIPA), the Foreigners Affairs Service (FAS), and State Border Police (SBP) to attract and retain quality personnel, undermining the capacity and effectiveness of these critical state-level institutions. The union representing SBP officers has threatened that its members will go on strike if the legislation as is adopted without amendments adjusting upward the coefficients for determining the salaries for state-level law enforcement officers.

#### Defending State Level Institutions

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13. (C) Given these concerns, we, along with the OHR, launched an extensive lobbying campaign to ensure that the draft law would be amended to protect state-level judicial and law enforcement institutions. After we successfully urged members of the House of Representatives Budget and Finance Committee to support amendments to excluding the judiciary from the law and to increase salaries of law enforcement officials. However, the amendments were adopted on the condition that a new law covering judicial salaries be tabled within sixty days, and the separate amendments on law enforcement salaries enacted smaller increases than we had hoped. During its May 14 session, the House of Representatives failed to secure the required number of votes needed to pass the amended draft law largely because political parties used the debate to score political points ahead of the October municipal elections. Debate will

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continue on June 4.

#### Parliament Postpones Debate - Campaign Posturing

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14. (U) The important implications of the legislation for state level judicial and law enforcement structures has received little, if any, public scrutiny. Instead, public attention has been focused on separate provisions in the draft law that increase salaries for parliamentarians and government ministers. Opposition parties, particularly the Social Democratic Party (SDP) and the Serb Democratic Party (SDS), have seized on the draft law to criticize coalition parties for lining their pockets. SDP President Zlatko Lagumdžija, the draft law's most vociferous opponent, accused parliamentarians and the ministers of increasing their salaries without delivering concrete results to improve the lives of ordinary citizens. Following Lagumdžija's lead, SDS and later SDA also jumped on the populist bandwagon by introducing amendments to the draft law that would strike down increased salaries for ministers and parliamentarians.

#### Comment

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15. (C) Our efforts to reverse this latest attempt to undermine the judiciary and law enforcement agencies is another example of the continuous vigilance that is required to prevent backsliding in state-level rule of law capabilities (Refs A and B). Although the EU has generally been a reliable partner in our efforts to protect state-level judicial and law enforcement institutions, in this case it failed to appreciate how the IMF recommendations, once translated into law, had the perverse effect of weakening certain state-level institutions rather than strengthening them. We will continue lobbying efforts to ensure that the amended version of the law passes, or it fails altogether.

End Comment  
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